

Special Access
Calculation of Channel Mileage Termination Weighted Demand

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| | (A) Index | (B) Demand | (C) Weighted Demand |
|-------------------------|--------------|---------------|---------------------------|
| Telegraph 2 Wire/4 Wire | 0.36682 | 336 | 123 |
| Voice Grade 2W / 4W | 0.36682 | 19,980 | 7,329 |
| Program Audio 3.5 khz | 0.36682 | 9,252 | 3,394 |
| Program Audio 5.0 khz | 0.73363 | 0 | 0 |
| Program Audio 8.0 khz | 1.10045 | 0 | 0 |
| Program Audio 15 khz | 1.46726 | 0 | 0 |
| Digital Data 2.4 Kbps | 0.36682 | 0 | 0 |
| Digital Data 4.8 Kbps | 0.36682 | 24 | 9 |
| Digital Data 9.6 Kbps | 0.36682 | 984 | 361 |
| Digital Data 19.2 Kbps | 0.36682 | 264 | 97 |
| Digital Data 56 Kbps | 0.73363 | 6,888 | 5,053 |
| Digital Data 64 Kbps | 0.73363 | 0 | 0 |
| High Capacity 1.54 Mbps | 3.08125 | 6,528 | 20,114 |
| | | | <hr/> 36,480 |

Sources:

| |
|----------------------------------|
| Col (B) from Volume 4, Section 5 |
|----------------------------------|

Special Access
Calculation of Initial Monthly
Voice Grade 2W Channel Termination Rate

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| | | Source | Quantity |
|---------|---|---------------------|----------------|
| Line 1. | CT Weighted Demand | Page 16, Tot Col(C) | 117,195 |
| Line 2. | CMF Weighted Demand | Page 17, Tot Col(C) | 93,200 |
| Line 3. | CMT Weighted Demand | Page 18, Tot Col(C) | 36,480 |
| Line 4. | Total Weighted Demand | Ln 1 + Ln 2 + Ln 3 | <u>246,875</u> |
| Line 5. | Total Recurring Special Access Revenue Requirement | Page 15, Line 5 | \$6,069,268 |
| Line 6. | Initial VG2W CT Rate | Line 5 / Line 4 | \$24.58 |

Special Access
Calculation of Monthly Special Access Rates

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| | | (A) CT Rate | (B) CT Revenue | (C) CMF Rate | (D) CMF Revenue* | (E) CMT Rate | (F) CMT Revenue* |
|---------|-------------------------|-------------------|----------------------|--------------------|------------------------|--------------------|------------------------|
| Service | | | | | | | |
| 1. | | | | | | | |
| 2. | Telegraph 2 Wire | \$24.58 | \$13,273 | \$3.61 | \$4,982 | \$9.02 | \$3,031 |
| 3. | Telegraph 4 Wire | \$49.17 | \$590 | \$3.61 | | \$9.02 | |
| 4. | Voice Grade 2 Wire | \$24.58 | \$175,206 | \$3.61 | \$354,444 | \$9.02 | \$180,220 |
| 5. | Voice Grade 4 Wire | \$49.17 | \$1,481,000 | \$3.61 | | \$9.02 | |
| 6. | Program Audio 3.5 khz | \$49.17 | \$0 | \$3.61 | \$224,181 | \$9.02 | \$83,453 |
| 7. | Program Audio 5.0 khz | \$48.36 | \$0 | \$7.22 | \$0 | \$18.04 | \$0 |
| 8. | Program Audio 8.0 khz | \$48.36 | \$0 | \$10.83 | \$0 | \$27.05 | \$0 |
| 9. | Program Audio 15 khz | \$48.36 | \$0 | \$14.45 | \$0 | \$36.07 | \$0 |
| 10. | Digital Data 2.4 Kbps | \$48.12 | \$1,155 | \$3.61 | \$0 | \$9.02 | \$0 |
| 11. | Digital Data 4.8 Kbps | \$48.12 | \$577 | \$3.61 | \$0 | \$9.02 | \$216 |
| 12. | Digital Data 9.6 Kbps | \$48.12 | \$56,012 | \$3.61 | \$25,559 | \$9.02 | \$8,876 |
| 13. | Digital Data 19.2 Kbps | \$48.12 | \$12,704 | \$3.61 | \$1,949 | \$9.02 | \$2,381 |
| 14. | Digital Data 56 Kbps | \$48.12 | \$415,179 | \$7.22 | \$484,318 | \$18.04 | \$124,260 |
| 15. | Digital Data 64 Kbps | \$48.12 | \$8,084 | \$7.22 | \$0 | \$18.04 | \$0 |
| 16. | High Capacity 1.54 Mbps | \$107.33 | \$717,394 | \$26.59 | \$1,195,274 | \$75.75 | \$494,496 |
| 17. | | | | | | | |
| | | | \$2,881,175 | | \$2,290,707 | | \$896,932 |

Sources:

| |
|--|
| Col (A) = Page 19, Line 6 * Page 16 Col (A) Col (B) = Col (A) * Page 16 Col (B) Col (C) = Page 19, Line 6 * Page 17 Col (A) Col (D) = Col (C) * Page 17 Col (B) Col (E) = Page 19, Line 6 * Page 18 Col (A) Col (F) = Col (E) * Page 18 Col (B) |
|--|

Special Access
Prescribed Channel Termination
Telegraph and Voice Grade 2W / 4W Rate Relationship

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| | a | b | c=a*b | d | e=b*d | f= | (g)=f*d |
|-----------|---------------------|--------|----------|----------------------------|--------------------------|-----------------|----------------------|
| Telegraph | Proposed CT Rate | Demand | Revenue | Prescribed Relationship | Weighted Relationship | tot (c)/tot (e) | Rate Relationship |
| Two Wire | \$24.58 | 540 | \$13,273 | 1.0 | 540 | 24.79077 | \$24.79 |
| Four Wire | \$49.17 | 12 | \$590 | 1.6 | 19.2 | 24.79077 | \$39.67 |
| | | | 13863 | | 559.2 | | |

| | a | b | c=a*b | d | e=b*d | f= | (g)=f*d |
|----------------|---------------------|--------|-------------|----------------------------|--------------------------|-----------------|----------------------|
| Voice Grade | Proposed CT Rate | Demand | Revenue | Prescribed Relationship | Weighted Relationship | tot (c)/tot (e) | Rate Relationship |
| Two Wire | \$24.58 | 7,128 | \$175,206 | 1.0 | 7,128 | 29.93865 | \$29.94 |
| Four Wire | \$49.17 | 30,120 | \$1,481,000 | 1.6 | 48,192 | 29.93865 | \$47.90 |
| | | | \$1,656,206 | | 55,320 | | |

Source:

| | | | |
|---------|------------------|---------|---------------------------------------|
| Col (a) | Page 20, Col (A) | Col (d) | Prescribed 2W/4W CT Rate Relationship |
| Col (b) | Page 16, Col (B) | | |

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Voice Grade to Hi Cap DS1

| Config | Element | (A) Voice Grade 4 Wire | (B) Hi-Cap 1.544 Mbps |
|--------------|---------|------------------------------|-----------------------------|
| 2 | CT | \$98.34 | \$214.66 |
| 12 | CMF | \$43.32 | \$319.08 |
| 2 | CMT | \$18.04 | \$151.50 |
| Total Config | | \$159.70 | \$685.24 |

\$638.80

DS1 to VG 4W Crossover (Total Col (B) / Total Col (A))

4.29

Sources:

Col (A) = Config Column * VG4W Rates from Page 20

Col (B) = Config Column * Hi Cap 1.544 Rates from Page 20

Transport Benchmark

| Config | Element | (A) DS1 | (B) DS3 |
|--------------|---------|------------|------------|
| 1 | CT | \$107.33 | \$2,043.34 |
| 10 | CMF | \$265.90 | \$1,320.70 |
| 2 | CMT | \$151.50 | \$1,224.32 |
| 1 | MUX | n/a | \$563.86 |
| Total Config | | \$524.73 | \$5,152.22 |

DS3 to DS1 Crossover (Total Col (B) / Total Col (A))

9.82

Sources:

Col (A) = Config Column * DS1 Rates from Page 20

Col (B) = Config Column * DS3 Rates from Page 10

**Worksheet for Development of
Weighted DS1/DS3 MOU per Voice Grade Equiv. - Termination
and
Weighted DS1/DS3 MOU per Voice Grade Equiv. - Facility**

| | Source | Amount |
|---|-----------------|-----------|
| A. Weighted MOUs per Equiv. VG Termination | | |
| 1. Direct Trunk Terminations - DS1 | Volume 4 | 3,564 |
| 2. Direct Trunk Terminations - DS3 | Volume 4 | 60 |
| 3. Total Direct Trunk Terminations | Line 1 + Line 2 | 3,624 |
| 4. % DS1 | Line 1/Line 3 | 98.34% |
| 5. % DS3 | Line 2/Line 3 | 1.66% |
| 6. MOU Derivations - DS1 | 24 x 9000 | 216,000 |
| 7. MOU Derivations - DS3 | 28 x 24 x 9000 | 6,048,000 |
| 8. MOUs per Eq. VG Term. - DS1 | Line 4 x Line 6 | 212,424 |
| 9. MOUs per Eq. VG Term. - DS3 | Line 5 x Line 7 | 100,132 |
| 10. Total Weighted MOUs per VG Term | Line 8 + Line 9 | 312,556 |
| B. Weighted MOUs per Equiv. VG Facility | | |
| 1. Direct Trunk Miles - DS1 | Volume 4 | 3,768 |
| 2. Direct Trunk Miles - DS3 | Volume 4 | 240 |
| 3. Total Direct Trunk Terminations | Line 1 + Line 2 | 4,008 |
| 4. % DS1 | Line 1/Line 3 | 94.01% |
| 5. % DS3 | Line 2/Line 3 | 5.99% |
| 6. MOU Derivations - DS1 | 24 x 9000 | 216,000 |
| 7. MOU Derivations - DS3 | 28 x 24 x 9000 | 6,048,000 |
| 8. MOUs per Eq. VG Miles. - DS1 | Line 4 x Line 6 | 203,066 |
| 9. MOUs per Eq. VG Miles. - DS3 | Line 5 x Line 7 | 362,156 |
| 10. Total Weighted MOUs per VG Term | Line 8 + Line 9 | 565,222 |

PRTC DS3 Cost of Service Study

| | Total Capitalized Investment Note 1/ (1) | Direct Cost Factor (2) | Monthly Revenue Req. (Cols. 1 x 2/12) (3) | Proposed Monthly Rate (4) |
|--|--|------------------------------|--|------------------------------------|
| 1. Channel Termination | | | | |
| a. Outside Plant | | | | |
| Aerial Fiber Optic | \$428.00 | xxx | xxx | xxx |
| Aerial Installation | \$510.00 | xxx | xxx | xxx |
| b. COE | | | | |
| Transmission Equip OC-3 2/ | \$58,000.00 | xxx | xxx | xxx |
| Transm. Eq. Install. & Eng. | \$19,800.00 | xxx | xxx | xxx |
| c. Total CT Investment and Rev. Req. | \$78,738.00 | 0.256 | \$1,679.74 | \$2,043.34 |
| 2. Channel Mileage Termination (Includes Installation and Engineering) | | | | |
| Central Office Facilities | | | | |
| Cross Connect | \$14,845.00 | xxx | xxx | xxx |
| OC-48 Term. | \$9,551.00 | xxx | xxx | xxx |
| Total CMT Investment and Rev. Req. | \$24,396.00 | 0.256 | \$520.45 | \$612.16 |
| 3. Channel Mileage Facility | | | | |
| Per Mile Facilities Costs | | | | |
| Fiber Materials | \$121.00 | xxx | xxx | xxx |
| Installation & Eng. | \$679.00 | xxx | xxx | xxx |
| Total CMF Investment and Rev. Req. per Mile | \$800.00 | 0.256 | \$17.07 | \$132.07 |

NOTES:

1/ Costs pf OC-3 facilities that are used for PRTC's DS-3 circuit provisioning are divided by three to obtain the cost of one DS-3 facility.

3.2 Access Service Order and Access Service Provisioning NRC Study

Non-recurring costs are the one-time, non-capitalized labor costs incurred specifically for the provision of Special Access services that are not sensitive to the volume of services sold. Some of the costs included in this category are service order cost, circuit design, installation activities, central office wiring, and testing.

The Access Service Order and Access Service Provisioning NRC Study is a time and motion study of the non-capitalized work functions associated with processing the service order, and the provisioning and activation of the resulting Special Access service. These functions include verifying the order, establishing the billing process, performing any required negotiations with the access customer, circuit design, installation and testing.

The study process begins by identifying each of the specific work activities involved in providing the services. Next, a sample study of service orders is conducted to identify the average time required to perform each of these functions. Where insufficient data exist for a particular activity, a subject matter expert estimates the time for that particular work function. The next step is to identify the labor costs associated with each of these functions. Labor rates from the Loaded Labor Rate Study (Sec. 3.5) were used for this purpose. The next step is to multiply the appropriate labor rates by the average time for each work function and then “sum” the results. The final step is to convert the per-circuit installation costs to per-channel termination (CT) costs. This is accomplished by first

subtracting the non-recurring service order costs from the total per-circuit non-recurring cost. This result is then divided by the ratio of channel terminations to circuits to develop a cost per channel termination. The summary results of these calculations are displayed in Exhibit 1.

NONRECURRING COSTS
SUMMARY

| | 2W VG | 4W VG | Low Speed DDS | 56 KBPS DDS | DS1 | DS3 |
|--|----------|----------|------------------|----------------|----------|----------|
| 1 Billing Rate Codification | \$1.28 | \$1.28 | \$1.28 | \$1.92 | \$1.92 | \$1.92 |
| 2 Entry to Order Control System | \$3.26 | \$3.26 | \$3.26 | \$3.26 | \$3.26 | \$3.26 |
| 2a Entry to Order Control (ICSC) | \$4.89 | \$4.89 | \$4.89 | \$4.89 | \$4.89 | \$4.89 |
| 3 Special Facility (SF) and Order Number Assignment | \$3.26 | \$3.26 | \$3.26 | \$3.26 | \$3.26 | \$3.26 |
| 4 Entry to FMS System | \$9.78 | \$9.78 | \$9.78 | \$9.78 | \$9.78 | \$9.78 |
| 5 Assignment of Local Facilities Pairs | \$5.87 | \$5.87 | \$5.87 | \$5.87 | \$0.98 | \$0.98 |
| 6 Circuit Layout (B2) | | | | | \$17.95 | \$17.95 |
| 6a Circuit Layout (B1) | \$35.90 | \$35.90 | \$35.90 | \$53.85 | \$53.85 | \$53.85 |
| 7 Outside Plant Facilities Testing | | | | | | |
| 8 Transmission Facilities Assignment | \$24.00 | \$24.00 | \$24.00 | \$24.00 | \$72.00 | \$96.00 |
| 9 Installation Coordination | \$22.56 | \$22.56 | \$22.56 | \$22.56 | \$22.56 | \$22.56 |
| 9a Installation Coordination (ICSC) | | | \$62.04 | \$62.42 | | |
| 10 Transmission Facilities Installation | \$67.68 | \$67.68 | \$67.68 | \$67.68 | \$157.92 | \$225.60 |
| 11 Field Installation | \$90.24 | \$90.24 | \$67.68 | \$67.68 | \$0.00 | \$0.00 |
| 12 Final Testing | \$19.69 | \$22.56 | \$45.12 | \$45.12 | \$45.12 | \$270.72 |
| 13 Order Completion | \$1.28 | \$1.28 | \$1.28 | \$1.28 | \$1.28 | \$1.28 |
| 14 Entry to Billing, Maintenance Order Control Systems and ICSC | \$4.89 | \$4.89 | \$4.89 | \$4.89 | \$4.89 | \$4.89 |
| 15 Automatic Test Entry | \$6.56 | \$11.28 | \$11.28 | \$11.28 | \$11.28 | \$11.28 |
| 15a Service Order F/U & Coordination | \$53.09 | \$53.09 | \$53.09 | \$53.09 | \$53.09 | \$53.09 |
| 15b Soft Mod/Wiring/Coord | \$0.00 | \$0.00 | \$6.52 | \$0.00 | \$0.00 | \$0.00 |
| 16 Manual Partial Test | \$2.63 | \$4.51 | \$33.84 | \$33.84 | \$33.84 | \$33.84 |
| 16a Service Order Entry Review | \$2.61 | \$2.61 | \$2.61 | \$2.61 | \$2.61 | \$2.61 |
| 17 Total Nonrecurring Cost (per circuit) | \$359.45 | \$368.92 | \$466.81 | \$479.26 | \$500.47 | \$817.75 |
| 18 Less Service Order Cost | \$79.44 | \$79.44 | \$79.44 | \$80.08 | \$80.08 | \$80.08 |
| 19 Total Installation Cost (L17-L18) | \$280.01 | \$289.48 | \$387.37 | \$399.18 | \$420.39 | \$737.67 |
| 20 CT/Circuit ratio | 1.5414 | 1.6037 | 1.6351 | 1.6323 | 1.8537 | 1.5000 |
| 21 Installation cost per CT (L19/L20) | \$181.66 | \$180.51 | \$236.90 | \$244.55 | \$226.79 | \$491.78 |

3.7 DS3 Cost of Service Study

The DS3 Cost of Service Study is designed to identify all of the recurring direct² capitalized costs related to provisioning DS3 Access Service. Costs in this study are divided into the following categories and subcategories:

1. **Customer and Central Office Circuit Equipment** These costs are associated with the circuit equipment portion of the Channel Termination tariff rate element. The category includes all the circuit equipment and installation labor used in provisioning DS3 Access Service at the customer's premises and at the telephone company central office. Costs within this category are separated into four types:

- **Common Equipment** - Includes all common system equipment, including fiber distribution panels, shelves, and other common equipment.

² A direct cost is defined as a cost that is directly traceable to and caused by the production and sale of DS3 Service. It is a cost that can physically be linked to DS3 service without the need of special studies and arbitrary allocations. It can be an allocated cost, but should be allocated on logical cost-causation grounds. Costs not directly attributable to DS3 service (e.g. land, buildings, motor vehicles, corporate overhead) are indirect costs.

- **DS3 Interface Equipment** - Includes DS3 interface equipment, such as DS3 circuit cards, DS3 customer distribution panels, and connections between cards and panels.
- **DS1 Interface Equipment** - Includes DS1 interface equipment, such as DS1 circuit cards, DS1 customer cross-connect panels, and connections between cards and panels.
- **Labor** - Includes all installation labor hours for the above equipment

2. Interoffice Circuit Equipment These costs are associated with the Channel Mileage Termination tariff rate element. This category includes the circuit equipment at the telephone company central office used for facilities between wire centers. It includes all the equipment, and installation labor used in provisioning DS3 Access Service at a telephone company central office for interoffice facilities. This study has been completed based on the current network designs for interoffice facilities. Costs within this category are separated into two types:

- **Interoffice Circuit Equipment** - Includes all circuit equipment at the telephone company central office used for facilities between wire centers.
- **Labor** - Includes all installation labor hours for the above equipment.

3. Cable and Wire Facilities This category is divided into two subcategories: Interoffice Cable and Wire, and Subscriber Cable and Wire. The Interoffice Cable and Wire subcategory is associated with the Channel Mileage Facility tariff rate element.

The Subscriber Cable and Wire subcategory is associated with the cable and wire portion of the channel termination rate element.

Summary results of the DS3 Cost of Service study are shown in Exhibit 6.

**Puerto Rico Telephone Company
Capitalized Loading Study**

**Volume 3
Exhibit 5**

Summary Results

| Loading Class Number | Loading Class No. 1 | Loading Class No. 2 |
|---|----------------------------|----------------------------|
| Loading Class Description | COE | C&WF |
| 1. Materials & Supplies | 6.99% | 7.25% |
| 2. Transportation | 2.53% | 1.53% |
| 3. Contract Work | N/A | N/A |
| 4. Protection & Insurance | 1.50% | 1.50% |
| 5. Taxes | 6.60% | 6.60% |
| 6. Interest During Construction | N/A | N/A |
| 7. Privileges & Permits | N/A | N/A |
| 8. Engineering | 5.32% | 9.37% |
| 9. Other | N/A | N/A |
| 10. Total Capitalized Loadings (SUM OF LINES 1 THRU 9) | 22.94% | 26.25% |

3.4 Special Access Relative Index Study (RIS)

The Special Access Relative Index Study (CT-RIS) is used to determine the relative Channel Termination (CT) cost relationships of the various special access services (i.e., telegraph, voice grade, etc.). Two separate studies are required for this purpose. Study A is used to develop circuit equipment costs associated with a CT from the central office location to the Customer Designated Premise (CDP). Study B provides for the development of Cable and Wire Facility (C&WF) equivalencies associated with CTs. The resulting CT equivalency cost relationships are used to disaggregate the CT revenue requirement to the various service types. Equipment prices are from vendor catalogs and/or purchasing records and are capitalized by using the Capitalized Loading Factor Study. Labor rates used in this study come from the Labor Rate Study.

Equipment Costs

Study A utilizes service-specific equipment which is associated with Special Access CTs. In the development of each service-specific equipment cost, a typical (average) loop configuration was selected, and only those types of equipment that are unique (and incremental) to the service were considered. As with the OFF Study, partial utilization of equipment for the service is recognized through the application of fractional quantities to the unit price.

Labor Costs

Labor costs to install and test each service are developed by summing the products of labor hours times labor rates for each component of equipment. The Job Classification Numbers, Labor Hours, and Labor Rates are developed in the Labor Rate Study.

Capitalized Loading Factors

Loading factors, taken from the Capitalized Loading Factor Study, are then applied to the equipment costs. The resulting overhead loadings are then added to the equipment and labor costs to make up the total capitalized equipment cost. Finally, incremental loop costs are developed for each service by identifying the percent occurrence of the equipment used as it is utilized in provisioning a given service. These percent occurrences are developed by studying a representative sample of CTs for each service. By multiplying the equipment costs by the percent occurrence, a weighted cost is calculated for each service. Once the weighted cost is calculated for each service, a relative cost index is

developed. The relative cost index identifies the cost relationship of each special access service relative to VG 2 wire service, which was assigned a base value of 1 (or index). Thus, the relative index value assigned to each service is calculated by dividing the weighted cost for that service by the weighted cost of a VG 2 wire service.

Study B is used to identify the C&WF loop attributes associated with the CT portion of the basic voice grade 4-wire services. Since a 2-wire service typically requires one-half as many "loops" as a 4-wire service, a ratio of 1.0:0.5 has been used to determine the cost relationship of the basic VG 4W/2W service. The results of these studies are presented in Exhibit 3.

**Puerto Rico Telephone Company
Relative Index Study - 1995**

**Volume 3
Exhibit 3**

INDEX SUMMARY

| <u>Service</u> | <u>Total Cost</u> | <u>Index</u> |
|--------------------------------|--------------------------|---------------------|
| 1. Voice Grade 2-Wire | \$554.66 | 1.0000 |
| 2. Voice Grade 4-Wire | \$740.04 | 1.3342 |
| 3. Program Audio 1 | \$601.72 | 1.0848 |
| 4. Program Audio 2,3,4 | \$776.70 | 1.4003 |
| 5. Video Services (All) | \$0.00 | 0.0000 |
| 6. Digital Data Services (All) | \$677.14 | 1.2208 |
| 7. Hi-Capacity 1.544 Mbps | \$1,866.70 | 3.3655 |

**Puerto Rico Telephone Company
Relative Index Study - 1995**

**Volume 3
Exhibit 3**

LOOP EQUIVALENCY STUDY

**Worksheet #1
PAGE 1 OF 1**

**VG 2 WIRE
CT CIRCUIT EQUIPMENT**

VOICE GRADE 2-WIRE CHANNEL TERMINATIONS

| | | |
|----|---|----|
| 1. | NUMBER OF VG 2 WIRE CTs IN SAMPLE WITH HYBRID OPTION (SEE NOTE) =====> | 50 |
| 2. | NUMBER OF VG 2 WIRE CTs IN SAMPLE WITH HYBRID OPTION LOCATED AT CUSTOMER'S PREMISE. =====> | 50 |
| 3. | NUMBER OF VG 2 WIRE CTs IN SAMPLE WITH HYBRID OPTION LOCATED AT CENTRAL OFFICE. =====> | 75 |

Note: From Worksheet #4, Column C, VG 2-Wire Hybrid Option

**Puerto Rico Telephone Company
Relative Index Study - 1995**

**Volume 3
Exhibit 3**

LOOP EQUIVALENCY STUDY

**WORKSHEET #2
PAGE 1 OF 1**

| SERVICE | NUMBER OF CIRCUITS SAMPLED | LOOP EQUIVALENCIES |
|--------------------------|---------------------------------------|-------------------------------|
| VOICE GRADE 4-W | 50 | 100 |
| PROGRAM AUDIO 1 3.5 Khz | 2 | 4 |
| PROGRAM AUDIO 2 5.0 Khz | 2 | 4 |
| PROGRAM AUDIO 3 8.0 Khz | 2 | 4 |
| PROGRAM AUDIO 4 15.0 Khz | 2 | 4 |
| DIGITAL DATA 1 2.4 Kbps | 0 | 0 |
| DIGITAL DATA 2 4.8 Kbps | 0 | 0 |
| DIGITAL DATA 3 9.6 Kbps | 25 | 50 |
| DIGITAL DATA 4 56.0 Kbps | 25 | 50 |
| HIGH CAPACITY 1.544 Mbps | 50 | 175 |

Puerto Rico Telephone Company
Relative Index Study - 1995

Worksheet #3

| SERVICE | (A) EQUIPMENT TOTAL | (B) TOTAL LOADING | (C)= (A)*(B) DIRECT OVERHEAD | (D) LABOR COST | (E) TOTAL CAPITALIZED EQUIPMENT |
|------------------------------------|---------------------------|-------------------------|---------------------------------------|----------------------|--|
| VG 2 WIRE | | | | | |
| REPEATER | \$166.59 | 22.94% | 38.22 | \$95.08 | \$299.90 |
| HYBRID OPTION | \$232.00 | 22.94% | 53.23 | \$96.92 | \$382.15 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$0.00 | 22.94% | 0.00 | \$0.00 | \$0.00 |
| VG 4 WIRE | | | | | |
| REPEATER | \$194.69 | 22.94% | 44.67 | \$120.37 | \$359.73 |
| LEVEL ADJUSTMEN | \$232.00 | 22.94% | 53.23 | \$95.08 | \$380.31 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$0.00 | 22.94% | 0.00 | \$0.00 | \$0.00 |
| PROGRAM AUDIO 1 | | | | | |
| REPEATER | \$410.59 | 22.94% | 94.21 | \$96.92 | \$601.72 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$0.00 | 22.94% | 0.00 | \$0.00 | \$0.00 |
| PROGRAM AUDIO 2-4 | | | | | |
| COMMON EQUIP. P | \$488.59 | 22.94% | 112.10 | \$176.00 | \$776.70 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$0.00 | 22.94% | 0.00 | \$0.00 | \$0.00 |
| VIDEO SERVICES (ALL) | | | | | |
| UNIQUE EQUIP. PK | \$511.64 | 22.94% | 117.39 | \$294.71 | \$923.74 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$379.00 | 22.94% | 86.96 | \$250.83 | \$716.79 |
| DIGITAL DATA (ALL) | | | | | |
| OFFICE CHANNEL | \$406.12 | 22.94% | 93.18 | \$177.84 | \$677.14 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$0.00 | 22.94% | 0.00 | \$177.84 | \$177.84 |
| HI-CAP 1.544 Mbps | | | | | |
| REPEATER | \$644.72 | 22.94% | 147.92 | \$333.26 | \$1,125.91 |
| UNIQUE DISTANCE SENSITIVE EQUIP | \$379.00 | 22.94% | 86.96 | \$274.83 | \$740.79 |